

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

August 21, 2006

CALL TO PODIUM:

Fred Felton
Assistant City Manager

RESPONSIBLE STAFF:

Fred Felton
Assistant City Manager

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
<input checked="" type="checkbox"/>	Policy Discussion
	Work Session Discussion Item
	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	7/17/06
Advertised	7/19/06
Hearing Date	8/7/06
Record Held Open	8/16/06
Policy Discussion	8/21/06

TITLE:

An Ordinance To Amend Chapter 13 Of The City Code Entitled "Landlord Tenant Relations," To Create A New Section 13-38 Entitled "Relocation Assistance" So As To Require Multi-Family Property Owners To Provide Additional Relocation Assistance To Tenants Displaced By Redevelopment

SUPPORTING BACKGROUND:

As you will recall, Chapter 53A of the County Code, applicable in the City pursuant to Chapter 2 of the City Code, requires property owners to provide an amount equal to two (2) month's rent to tenants who are displaced by redevelopment or condominium conversion.

When RST Development received approval to redevelop West Deer Park Apartments, they ultimately agreed to provide three and one half (3 ½) month's rent in relocation assistance to tenants, and these additional funds were very helpful. The additional assistance will help with costs for increased relocation expenses and more expensive down payments.

The potential exists that a number of multi-family communities in the City could be redeveloped in the near future, and staff believes that the existing County requirement of two (2) months rent as relocation assistance would not be adequate to prevent hardships for many of these potentially displaced tenants.

The proposed ordinance would require property owners to pay an additional one and one half (1 ½) month's rent to each leaseholder displaced by pending demolition or redevelopment.

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DESIRED OUTCOME:

Record closed on August 16, 2006 at 5 pm.
Ordinance is ready for final action.

MAYOR & COUNCIL AGENDA COVER SHEET

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During the course of the public hearing and in subsequent emails, two former West Deer Park Apartment residents suggested that the draft ordinance be amended to require the developer to pay the tenant market rent rather than current rent.

In the West Deer Park relocation, a number of long-term tenants were paying somewhat below market, and we negotiated with the developer to pay them market rate relocation assistance.

I have attached the original ordinance, and a modified ordinance with the additional language in bold type. The Mayor and City Council could vote on either option but the motion should be clear as to which version is being voted on.

ORDINANCE NO. _____

AN ORDINANCE TO AMEND CHAPTER 13
OF THE CITY CODE ENTITLED "LANDLORD TENANT RELATIONS," TO CREATE A
NEW SECTION 13-38 ENTITLED "RELOCATION ASSISTANCE" SO AS TO REQUIRE
MULTI-FAMILY PROPERTY OWNERS TO PROVIDE ADDITIONAL RELOCATION
ASSISTANCE TO TENANTS DISPLACED BY REDEVELOPMENT

BE IT ORDAINED, by the Mayor & City Council of the City of Gaithersburg, in
public meeting assembled, that Chapter 13 of the City Code is hereby amended to read
as follows:

CHAPTER 13
LANDLORD TENANT RELATIONS

* * * * *

Sec. 13-38. Relocation Assistance – Demolition or Redevelopment.

In addition to any relocation assistance required by Chapter 53A of the Montgomery County Code, applicable in the City pursuant to Chapter 2 of the City Code, the owner of any multi-family rental building containing four (4) or more rental units shall be required to pay each lease holder an amount equal to one and one-half months current rent within three (3) business days of vacating if the lease holder is required to vacate due to pending demolition or redevelopment of the property. In the event a lease holder is delinquent in rent when they vacate the premises, the property owner may reduce the relocation assistance payment by the amount of the delinquency.

* * * * *

ADOPTED, this 21st day of August 2006 by the City Council of Gaithersburg, Maryland.

SIDNEY A. KATZ, Mayor and
President of the City Council

DELIVERED to the Mayor of the City of Gaithersburg, Maryland, this 21st day of August, 2006. APPROVED/VETOED by the Mayor of the City of Gaithersburg, this 21st day of August, 2006.

Sidney A. Katz, Mayor

THIS IS TO CERTIFY that the foregoing ordinance as adopted by the City Council of Gaithersburg, in public meeting assembled, on the 21st day of August, 2006 and that the same was approved/vetoed by the Mayor of the City of Gaithersburg on the 21st day of August, 2006. This Ordinance will become effective on the 11th day of September, 2006.

David B. Humpton, City Manager

MODIFIED

ORDINANCE NO. _____

AN ORDINANCE TO AMEND CHAPTER 13
OF THE CITY CODE ENTITLED "LANDLORD TENANT RELATIONS," TO CREATE A
NEW SECTION 13-38 ENTITLED "RELOCATION ASSISTANCE" SO AS TO REQUIRE
MULTI-FAMILY PROPERTY OWNERS TO PROVIDE ADDITIONAL RELOCATION
ASSISTANCE TO TENANTS DISPLACED BY REDEVELOPMENT

BE IT ORDAINED, by the Mayor & City Council of the City of Gaithersburg, in
public meeting assembled, that Chapter 13 of the City Code is hereby amended to read
as follows:

CHAPTER 13 LANDLORD TENANT RELATIONS

* * * * *

Sec. 13-38. Relocation Assistance – Demolition or Redevelopment.

In addition to any relocation assistance required by Chapter 53A of the Montgomery County Code, applicable in the City pursuant to Chapter 2 of the City Code, the owner of any multi-family rental building containing four (4) or more rental units shall be required to pay each lease holder an amount equal to one and one-half months current **fair market value rent as determined by the City Manager** within three (3) business days of vacating if the lease holder is required to vacate due to pending demolition or redevelopment of the property. In the event a lease holder is delinquent in rent when they vacate the premises, the property owner may reduce the relocation assistance payment by the amount of the delinquency.

* * * * *

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David B. Humpton, City Manager

Fred Felton - New Fair Housing Proposed 3 1/2 months Relocation Plan

From: "Joholske, Kenneth (NIH/OD/ORS) [E]" <joholskk@nihrrlib.ncrr.nih.gov>
To: <SKatz@gaithersburgmd.gov>, "Michael Sesma" <msesma@gaithersburgmd.gov>,
<DHumpton@gaithersburgmd.gov>, "Fred Felton" <FFelton@gaithersburgmd.gov>
Date: 08/09/2006 10:56 AM
Subject: New Fair Housing Proposed 3 1/2 months Relocation Plan

Mayor and City Council

I am excited to see such a plan being proposed by the Mayor and City council. As I had stated at the City Council meeting I think this is a great idea but I would also recommend that the 3 1/2 months be at the current market value of the apartments whenever they come under redevelopment. I would also like to reiterate that a working committee comprised of former tenants of the West Deer Park Tenants Association and any other concerned Gaithersburg residents work as an ongoing working group with the City council on this and other Fair Housing issues in the City. I believe next Monday the 14th is a Working Session of the City Council. Would the City council be interested in starting such a group. Please let me know. Keep up the good work.

Sincerely,

Kenneth E. Joholske
NIH Library Clinical Center
CMDB 1L-21A
(301) 594-6484
Joholskk@mail.nih.gov
American Federation Of Government Employees AFL-CIO
Local 2419, Shop Steward and UCAN Councilor AFL-CIO

" They can cut down the flowers, but they cannot stop the coming of spring." - Chilean Union saying